COMMISSIONERS MIKE GLEASON - Chairman WILLIAM A. MUNDELL JEFF HATCH-MILLER KRISTIN K. MAYES **GARY PIERCE**

OPEN MEETING AGENDA ITEM



ARIZONA CORPORATION COMMISSION

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ORIGINAL

RE:

December 10, 2008

Arizona Public Service Company - Docket # E-01345A-08-0172

Arizona Corporation Commission DOCKETED

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Dear Parties to the Docket:

On Wednesday, December 3rd, I attended a half-day energy policy session at the Global Institute of Sustainability at the Tempe Campus of Arizona State University. The topic of the session was "Transforming the Energy Economy: Panel on Economic Policies for the next Administration," and the panelists were Stephen P.A. Brown, Former Director of Energy Economics and Microeconomic Policy Analysis, Dallas Federal Reserve Bank, Charles Cicchetti, Senior Advisor, Navigant Consulting, Inc., Ed Fox, Vice President and Chief Sustainability Officer, Arizona Public Service, and Tim James, Research Professor, Economics, W.P. Carey School of Business.

I am filing this letter into this docket to inform the parties of an incident that occurred during the question and answer at the close of the session. One of the members of the audience (of at least 45 people) asked Mr. Cicchetti a question about implementation of energy efficiency programs. In the course of answering the question, Mr. Cicchetti began speaking about some issues in APS's existing rate case. I became uncomfortable because of the pendency of the matters that Mr. Cicchetti was referring to, and stood up and walked to the back of the room. As Mr. Cicchetti concluded his response to the question, Mr. Fox noted my discomfort and asked Mr. Cicchetti to not refer to those matters in my presence.

I have every reason to believe that Mr. Cicchetti's remarks were entirely inadvertent. I believe I was the only employee of the Commission at the conference, and I have never been introduced to Mr. Cicchetti.

Mr. Cicchetti's comments were brief, impromptu, and I do not recall much of the content. Nevertheless, to avoid even the slightest appearance of impropriety, I have decided to file this letter in this docket. I will not consider Mr. Cicchetti's comments in advising Commissioner Pierce on APS's pending rate case and motion for interim rates.

Sincerely,

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Holicy Advisor to Commissioner Gary Pierce